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**DeNUCCI QUESTIONS MASSPORT'S
CONTRIBUTIONS, TRAVEL EXPENSES**

State Auditor Joe DeNucci reported today that the Massachusetts Port Authority made more than \$600,000 in contributions to seven organizations that had no apparent connection to the agency's mission of managing and operating Logan International Airport, Hanscom Field, the Tobin Bridge and the Port of Boston's facilities.

According to DeNucci's audit, Massport donated \$285,000 to the National Music Foundation, an organization that had been cited by DeNucci in a 1999 audit for accepting \$3.6 million in grants from state agencies and authorities to establish a music center in Lenox that was never built. Massport also contributed \$250,000 to the Massachusetts Festival of the Arts to sponsor an event in Northampton that was intended to promote tourism in the Pioneer Valley, an area in western Massachusetts that is approximately 100 miles from Massport.

Other questionable donations included \$25,000 to both the First Annual Sports Award Gala in Boston and the Azorean Earthquake Relief Fund, \$10,000 each to the Vienna Classic Gala and the American Ireland Fund and \$1,500 to the Friends of Massachusetts Film Office.

"These contributions had no relation to Massport's business or mission, nor were they made to organizations in neighboring communities," noted DeNucci.

In its response, Massport said contributions are sometimes made to organizations that promote tourism and have an economic impact on the entire region. However, the authority agreed with DeNucci that all future contributions should be carefully scrutinized in light of Massport's capital spending obligations.

In another finding, DeNucci's audit found large differences paid by Massport for airfare from Boston to London. For example, fares ranged from \$411 to \$5,886 for employees who flew from Boston to London during a one-year period from November 1998 to November 1999. The high-end fares were for an employee and two board members who traveled business class.

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Furthermore, the audit found that during a 22-month period from June 1998 through April 2000 only two frequent flyer awards were used on Massport business trips. On two occasions, Massport paid fares of \$5,913 and \$1,683 when the employees had sufficient frequent flyer miles to obtain awards. During this period, Massport spent more than \$563,000 for transportation, with most of the money being used for airfare. DeNucci said Massport should attempt to book overseas travel at more economical rates by including Saturday stays, if necessary, and it should also take advantage of frequent flyer awards whenever possible.

Moreover, DeNucci's audit determined that Massport paid its legislative consultants, the three largest of which received monthly retainers ranging from \$4,000 to \$10,000, without requiring them to furnish invoices identifying the persons who performed the services, what they did and the hours they worked.

Finally, DeNucci's audit determined that Massport has misclassified some of its expenses, charging them to the wrong administrative account because of budgetary restraints.

However, DeNucci said he was encouraged that Massport indicated it will attempt to address these issues.

"Massport is very important to the economy of Massachusetts and the transportation needs of the New England region, and I look forward to working with the authority to find ways of improving its operations," DeNucci concluded.

